

105TH CONGRESS
1ST SESSION

H. R. 2084

To amend the Internal Revenue Code of 1986 to provide for maximum capital gains tax rates of 15, 22, and 30 percent for individuals.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1997

Mr. DAVIS of Illinois introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for maximum capital gains tax rates of 15, 22, and 30 percent for individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MAXIMUM CAPITAL GAINS RATES OF 15, 22, AND**
4 **30 PERCENT FOR INDIVIDUALS.**

5 (a) IN GENERAL.—Subsection (h) of section 1 is
6 amended to read as follows:

7 “(h) MINIMUM CAPITAL GAINS RATE.—

8 “(1) IN GENERAL.—If a taxpayer has a net
9 capital gain for any taxable year, then the tax im-
10 posed by this section shall not exceed the sum of—

1 “(A) a tax computed at the rates and in
 2 the same manner as if this subsection had not
 3 been enacted on the greater of—

4 “(i) taxable income reduced by the
 5 amount of the net capital gain, or

6 “(ii) the amount of taxable income
 7 taxed at a rate below 22 percent, plus

8 “(B) a tax of the applicable percent of the
 9 amount of taxable income in excess of the
 10 amount determined under subparagraph (A).

11 For purposes of the preceding sentence, the net cap-
 12 ital gain for any taxable year shall be reduced (but
 13 not below zero) by the amount which the taxpayer
 14 elects to take into account as investment income for
 15 the taxable year under section 163(d)(4)(B)(iii).

16 “(2) APPLICABLE PERCENT.—For purposes of
 17 paragraph (1), the term ‘applicable percent’
 18 means—

19 “(A) with respect to the excess of—

20 “(i) so much of the net capital gain as
 21 does not exceed \$20,000, over

22 “(ii) the amount of net capital gain (if
 23 any) taken into account under paragraph
 24 (1)(A)(ii),

25 15 percent,

1 “(B) with respect to so much of the net
2 capital gain as exceeds \$20,000 but does not
3 exceed \$40,000, 22 percent, and

4 “(C) with respect to so much of the net
5 capital gain as exceeds \$40,000, 30 percent.”

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years ending after the
8 date of the enactment of this Act.

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